



HF 4 – School Bus Purchasing, State Option (LSB 1089HH)
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Fiscal Note Version – New
Requested by Representative Curtis Hanson

Description

House File 4 creates a centralized state-operated school bus purchasing program and requires the Department of Administrative Services (DAS) to develop procedures in consultation with the Department of Education (DE). The program is open to public and nonpublic schools, and participation is voluntary. As a condition of participation, each bidder must agree that if the bidder subsequently offers a substantially similar bid to another purchaser for a lower price, the bidder's contract price with the State will be automatically reduced to match the lower price.

Background

The DE and the DAS have been moving forward on this program without legislation and are developing a request for proposals (RFP).

Assumptions

It is assumed that:

- Approximately 350 buses are purchased annually in Iowa.
- Savings will be approximately \$500 per bus purchased through the program.
- The startup costs for the DAS involve staff time to create the ordering system and are estimated to be \$14,400. The annual cost to operate the program is estimated to be \$17,500 in staff time. Staff time costs are opportunity costs as they spend their time on these tasks instead of other tasks.
- The Department of Education will not incur any significant costs in developing this program.

Fiscal Impact

Statewide, public and nonpublic schools could save up to \$175,000 annually. The costs for the DAS will be opportunity costs and are not significant.

Sources

Department of Administrative Services
Department of Education
Office of Superintendent of Public Instruction, State of Washington
Indiana Department of Education

/s/ Holly M. Lyons

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